

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: CNX Gas Company LLC

RELIEF SOUGHT: CREATION OF THE DRILLING UNIT
DEPICTED IN EXHIBIT A HERETO
TO BE SERVED BY WELL SSS28SH
(herein "Subject Drilling Unit")
PURSUANT TO VA. CODE
§ 45.1-361.20; AND APPROVAL OF WELL
DENSITY AND WELL LOCATION IN
SUBJECT DRILLING UNIT

VIRGINIA GAS
AND OIL BOARD

DOCKET NO.
VGOB 10-0316-2685 &
10-0316-2685-01

LEGAL DESCRIPTION:

SUBJECT DRILLING UNIT SERVED BY
WELL SSS28SH
TO BE DRILLED IN THE LOCATION
DEPICTED ON EXHIBIT A HERETO,
PATTERSON QUADRANGLE
NORTH GRUNDY/KNOX MAGISTERIAL DISTRICT
BUCHANAN COUNTY, VIRGINIA

REPORT OF THE BOARD

FINDINGS AND ORDER

1. **Hearing Date and Place:** This matter originally came before the Virginia Gas and Oil Board (hereafter "Board") on March 16, 2010 and was approved. A petition for modification came before the Board on August 17, 2010 hearing and was continued. The matter came for final hearing at 9:00 a.m. on September 21, 2010 at the Russell County Conference Center, Lebanon, Virginia.

2. **Appearances:** Mark Swartz, Esquire, of the firm Swartz Law Offices, PLLC, appeared for the Applicant. Sharon M.B. Pigeon, Assistant Attorney General was present to advise the Board.

3. **Jurisdiction and Notice:** Pursuant to Va. Code § 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner entitled by the VA. Code and Board Rules to Notice hereof; and (2) has represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code § 45.1-361.19 to notice of the Application filed herein; Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of due process.

4. **Relief Requested:** Applicant requests (1) that pursuant to Va. Code § 45.1-361.20, the Board establish Subject Drilling Unit to be served by SSS28SH; (2) that the proposed location of SSS28SH be approved.

5. **Relief Granted:** The relief requested above shall be and hereby is granted.

5.1 The Board hereby: (1) establishes Subject Drilling Unit pursuant to Va. Code § 45.1-361.20; (2) allows multiple wells within the drilling unit established hereby as depicted on Exhibit A; and (3) approves the location of SSS28SH as depicted on Exhibit A.

6. **Special Findings:** The Board specifically and specially finds:

6.1 The proposed drilling unit is not an unreasonable or arbitrary exercise of a gas or oil owner's right to explore for or produce gas or oil.

6.2 Proposed drilling unit will not unreasonably interfere with the present or future mining of coal or other minerals.

6.3 The conventional unit for horizontal well production is a combination of Oakwood Units RRR27, RRR28, SSS27 and SSS28, containing approximately 313.00 acres.

The boundaries of the proposed drilling unit are depicted on Exhibit A. Said boundaries are described using the State Plane Coordinate System as required by 4 VAC 25-160-50.5.c. and are as follows:

Beginning at a point, Virginia State Plane NAD 27 coordinate of N:383404.010 E:994778.250 feet to a point; S87°52'48"E 3732.17 feet to a point; S02°06'41"W 3656.91 feet to a point; N87°52'48"W 3732.00 feet to a point; N02°06'31"E 3656.91 feet to a point of beginning, containing +/- 313.00 acres.

6.4 The acreage mentioned above is to be embraced within the said drilling unit and which shall have the shape depicted in Exhibit A and further described in the Application.

6.5 The proposed SSS28SH may be drilled in the subject drilling unit at the locations indicated.

6.6 The said well shall not be subject to an allowable production.

6.7 The Board finds the subject drilling unit conforms to the mine development plan and corresponds with mine operations, including, without limitation, the drilling of multiple coalbed methane gas wells in the subject drilling unit.

7. **Mailing Of Order And Filing Of Affidavit:** Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt by the Applicant to each Respondent named in the Notice of hearing and whose address is known.

8. **Conclusion:** Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

9. **Appeals:** Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court.

10. **Effective Date:** This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

DONE AND EXECUTED this 28th day of Feb.,
2014, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert
Bradley Lambert, Chairman

DONE AND EXECUTED this 28th day of Feb,
2014, by a majority of the Virginia Gas and Oil Board.

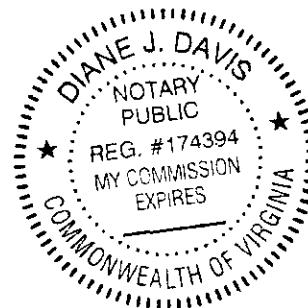
Rick Cooper
Rick Cooper
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA
COUNTY OF RUSSELL:

Acknowledged this 28th day of Feb, 2014,
personally before me a notary public in and for the Commonwealth of Virginia, appeared
Bradley Lambert, being duly sworn did depose and say that he is Chairman of the
Virginia Gas and Oil Board and Rick Cooper being duly sworn did depose and say that
he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they
executed same and were authorized to do so.

Diane J. Davis
Diane J. Davis

My Commission Expires September 30, 2017



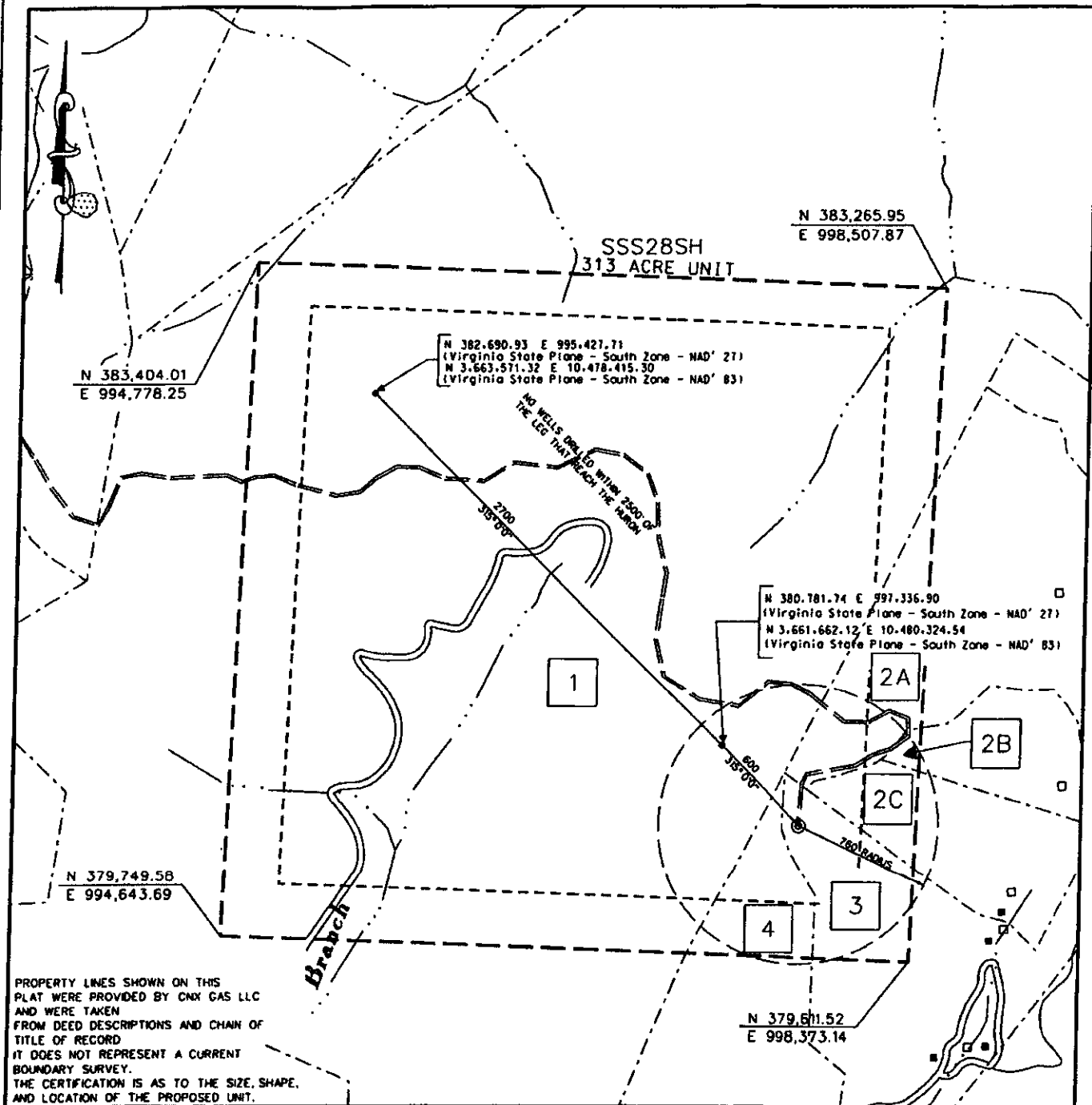


EXHIBIT A
OAKWOOD FIELD
UNIT SSS28SH
PROVISIONAL
HORIZONTAL DRILLING UNIT
VGOB-10-0316-2685-01

Company CNX Gas Company LLC Well Name and Number SSS28SH
Tract No. _____ Elevation _____ Quadrangle SPATERSON
County BUCHANAN District NORTH GRUNDY/KNOX Scale: 1" = 800'
This plat is a new plat X ; an updated plat _____ ; or a final plat _____
Form DGO-GD-7 Richard C. Murphy (Affix Seal)
Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor 09/13/10

CNX Gas Company LLC
UNIT SSS-28SH
Tract Identification
(313 Acre Unit)

1. WPP LLC (1,818.44 Acre Tract) – Coal
United Coal Company (The Black Diamond Company)–All Coal Above Drainage except the Splashdam Seam Leased
Virginia By-Products Coal Company – Coal in the Splashdam Seam Leased
Jewell Smokeless Coal Corporation – All Coal Below Drainage Leased
Highland Resources, Inc./North American Resources Corp. – All Minerals except Coal and CBM
CNX Gas Company LLC – Oil and Gas Leased
Plum Creek Timberlands, LP – CBM
CNX Gas Company LLC – CBM Leased
CNX Gas Company LLC – Surface
277.41 Acres 88.6294%

2. Carol Combs Irvin, et al (101.00 Acre Tract) – All Minerals
Wellmore Coal Company – Above Drainage Coal Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
17.34 Acres 5.5399%

- 2A. Virginia By-Products Coal Corporation - Surface
2B. Elmer Mullins, et al – Surface
2C. Elmer Mullins, et al – Surface

3. WPP LLC (68.52 Acre Tract) – Coal
United Coal Company (The Black Diamond Company)–All Coal Above Drainage except the Splashdam Seam Leased
Virginia By-Products Coal Company – Coal in the Splashdam Seam Leased
Jewell Smokeless Coal Corporation – All Coal Below Drainage Leased
Highland Resources, Inc./North American Resources Corp. – All Minerals except Coal and CBM
CNX Gas Company LLC – Oil and Gas Leased
Plum Creek Timberlands, LP – CBM
CNX Gas Company LLC – CBM Leased
Elmer Mullins, et al – Surface
10.35 Acres 3.3067%

4. WPP LLC (66.08 Acre Tract) – Coal
United Coal Company (The Black Diamond Company)–All Coal Above Drainage except the Splashdam Seam Leased
Virginia By-Products Coal Company – Coal in the Splashdam Seam Leased
Jewell Smokeless Coal Corporation – All Coal Below Drainage Leased
Highland Resources, Inc./North American Resources Corp. – All Minerals except Coal and CBM
CNX Gas Company LLC – Oil and Gas Leased
Plum Creek Timberlands, LP – CBM
CNX Gas Company LLC – CBM Leased
Elmer Mullins, et al – Surface
7.90 Acres 2.5240%

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

Exhibit B
Unit SSS28SH - Provisional Horizontal Drilling Unit
Docket #VGOB 10-0316-2685-01
List of all Owners/Claimants
(313 Acre Unit)

	Acres in Unit	Percent of Unit
II. OIL & GAS OWNERSHIP		
<u>Tract #1, 277.41 acres</u>		
(1) Highland Resources, Inc/ North American Resources, Corp. One Concourse Parkway, NE, Suite 755 Atlanta, GA 30328	277.41 acres	88.6294%
<u>Tract #2, 17.34 acres</u>		
(1) Carol Combs Irvin, et al (101 Acre Tract)	17.34 acres	5.5399%
(a) Carol C. Irvin 4710 Hunterwood Circle Richmond, TX 77406	4.34 acres 1/4 of 17.34 acres	1.3850%
(b) F.H. Combs Testamentary Trust c/o Amy C. Combs or Eric R. Combs P.O. Box 841 Tazewell, VA 24651	4.34 acres 1/4 of 17.34 acres	1.3850%
(c) Martha E. Combs P.O. Box 1404 Abingdon, VA 24212	4.34 acres 1/4 of 17.34 acres	1.3850%
(d) Fairview Limited Partnership c/o John C. Irvin, Managing Partner 4710 Hunterwood Circle Richmond, TX 77409	4.34 acres 1/4 of 17.34 acres	1.3850%
<u>Tract #3, 10.35 acres</u>		
(1) Highland Resources, Inc/ North American Resources, Corp. One Concourse Parkway, NE, Suite 755 Atlanta, GA 30328	10.35 acres	3.3067%
<u>Tract #4, 7.90 acres</u>		
(1) Highland Resources, Inc/ North American Resources, Corp. One Concourse Parkway, NE, Suite 755 Atlanta, GA 30328	7.90 acres	2.5240%

INSTRUMENT #140600427
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
MARCH 20, 2014 AT 11:55AM
BEVERLY S. TILLER, CLERK
RECORDED BY: GBB